

***CICERO PUBLIC SCHOOL DISTRICT NO. 99
CICERO, ILLINOIS***

ANNUAL FINANCIAL REPORT

JUNE 30, 2017

eder, casella & co.

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INDEPENDENT AUDITOR'S OPINION

To the Board of Education
Cicero Public School District No. 99
Cicero, Illinois

We have audited the accompanying financial statements of

Cicero Public School District No. 99

as of and for the year ended June 30, 2017, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions prescribed or permitted by the Illinois State Board of Education as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Cicero Public School District No. 99 on the basis of the financial reporting provisions of the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America to meet the requirements of Illinois State Board of Education. Also as described in Note 1, Cicero Public School District No. 99 prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Cicero Public School District No. 99 as of June 30, 2017, or changes in financial position for the year then ended.

Unmodified Opinion on Regulatory Cash Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Cicero Public School District No. 99 as of June 30, 2017, and the revenue it received and expenditures it paid during the fiscal year then ended, on the basis of accounting described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Cicero Public School District No. 99's basic financial statements. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Such information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the average daily attendance figure included in the computation of operating expense per pupil and per capita tuition charges, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information and Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2017 on our consideration of Cicero Public School District No. 99's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cicero Public School District No. 99's internal control over financial reporting and compliance.

Restriction on Use

This report is intended solely for the information and use of management, the Board of Education, others within the organization, and the Illinois State Board of Education and is not intended to be and should not be used by anyone other than these specified parties.


EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
November 3, 2017

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education
Cicero Public School District No. 99
Cicero, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of

Cicero Public School District No. 99

as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Cicero Public School District No. 99's basic financial statements, and have issued our report thereon dated November 3, 2017. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cicero Public School District No. 99's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cicero Public School District No. 99's internal control. Accordingly, we do not express an opinion on the effectiveness of Cicero Public School District No. 99's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, which we consider to be significant deficiencies. This deficiency is numbered 2017-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cicero Public School District No. 99's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Cicero Public School District No. 99's Response to Findings

Cicero Public School District No. 99's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Cicero Public School District No. 99's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
November 3, 2017

BASIC FINANCIAL STATEMENTS

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS
ALL FUNDS AND ACCOUNT GROUPS
AT JUNE 30, 2017

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY	CAPITAL PROJECTS
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ -	\$ 9,435,118	\$ 4,538,117	\$ 5,381,058	\$ 3,662,536	\$ -
Investments	121,956,462	568,950	-	-	-	32,850,703
Other Current Assets	625,126	-	-	-	-	-
Capital Assets						
Land	-	-	-	-	-	-
Building and Building Improvements	-	-	-	-	-	-
Site Improvements and Infrastructure	-	-	-	-	-	-
Capitalized Equipment	-	-	-	-	-	-
Construction in Progress	-	-	-	-	-	-
Amount Available in Debt Services Fund	-	-	-	-	-	-
Amount to Be Provided for Payment of Long-Term Debt	-	-	-	-	-	-
Total Assets	<u>\$ 122,581,588</u>	<u>\$ 10,004,068</u>	<u>\$ 4,538,117</u>	<u>\$ 5,381,058</u>	<u>\$ 3,662,536</u>	<u>\$ 32,850,703</u>
<u>LIABILITIES AND FUND BALANCE</u>						
LIABILITIES						
Current Liabilities						
Payroll Deductions and Withholdings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Current Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long-Term Liabilities						
Long-Term Debt Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE						
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance						
Reserved	824,140	-	-	-	-	-
Unreserved						
Undesignated	121,757,448	10,004,068	4,538,117	5,381,058	3,662,536	32,850,703
Total Fund Balance	<u>\$ 122,581,588</u>	<u>\$ 10,004,068</u>	<u>\$ 4,538,117</u>	<u>\$ 5,381,058</u>	<u>\$ 3,662,536</u>	<u>\$ 32,850,703</u>
Total Liabilities and Fund Balance	<u>\$ 122,581,588</u>	<u>\$ 10,004,068</u>	<u>\$ 4,538,117</u>	<u>\$ 5,381,058</u>	<u>\$ 3,662,536</u>	<u>\$ 32,850,703</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS
ALL FUNDS AND ACCOUNT GROUPS
AT JUNE 30, 2017

	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTAL (MEMORANDUM ONLY)
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 5,205,726	\$ 3,158,620	\$ 1,196,200	\$ -	\$ -	\$ 32,577,375
Investments	-	-	-	-	-	155,376,115
Other Current Assets	-	-	-	-	-	625,126
Capital Assets						
Land	-	-	-	11,381,551	-	11,381,551
Building and Building Improvements	-	-	-	229,671,774	-	229,671,774
Site Improvements and Infrastructure	-	-	-	3,848,381	-	3,848,381
Capitalized Equipment	-	-	-	27,975,216	-	27,975,216
Construction in Progress	-	-	-	23,071,018	-	23,071,018
Amount Available in Debt Services Fund	-	-	-	-	4,538,117	4,538,117
Amount to Be Provided for Payment of Long-Term Debt	-	-	-	-	52,183,475	52,183,475
Total Assets	<u>\$ 5,205,726</u>	<u>\$ 3,158,620</u>	<u>\$ 1,196,200</u>	<u>\$ 295,947,940</u>	<u>\$ 56,721,592</u>	<u>\$ 541,248,148</u>
<u>LIABILITIES AND FUND BALANCE</u>						
LIABILITIES						
Current Liabilities						
Payroll Deductions and Withholdings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Current Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long-Term Liabilities						
Long-Term Debt Payable	\$ -	\$ -	\$ -	\$ -	\$ 56,721,592	\$ 56,721,592
Total Long-Term Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,721,592</u>	<u>\$ 56,721,592</u>
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,721,592</u>	<u>\$ 56,721,592</u>
FUND BALANCE						
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ 295,947,940	\$ -	\$ 295,947,940
Fund Balance						
Reserved	-	-	-	-	-	824,140
Unreserved						
Undesignated	5,205,726	3,158,620	1,196,200	-	-	187,754,476
Total Fund Balance	<u>\$ 5,205,726</u>	<u>\$ 3,158,620</u>	<u>\$ 1,196,200</u>	<u>\$ 295,947,940</u>	<u>\$ -</u>	<u>\$ 484,526,556</u>
Total Liabilities and Fund Balance	<u>\$ 5,205,726</u>	<u>\$ 3,158,620</u>	<u>\$ 1,196,200</u>	<u>\$ 295,947,940</u>	<u>\$ 56,721,592</u>	<u>\$ 541,248,148</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF REVENUE RECEIVED, EXPENDITURES DISBURSED, OTHER
FINANCING SOURCES (USES), AND CHANGES IN FUND BALANCES -
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY
REVENUE RECEIVED					
Local Sources	\$ 15,901,375	\$ 4,540,496	\$ 7,615,759	\$ 1,124,395	\$ 4,276,118
State Sources	79,358,883	7,000,000	119,841	2,075,801	400,000
Federal Sources	16,761,138	-	860,565	-	-
On-Behalf Payments	49,405,403	-	-	-	-
	<u>\$ 161,426,799</u>	<u>\$ 11,540,496</u>	<u>\$ 8,596,165</u>	<u>\$ 3,200,196</u>	<u>\$ 4,676,118</u>
EXPENDITURES DISBURSED					
Instruction	\$ 76,793,112	\$ -	\$ -	\$ -	\$ 1,412,522
Support Services	44,455,799	10,241,348	-	4,629,583	2,738,328
Community Services	648,500	-	-	-	7,980
Payments to Other Districts and Governmental Units	363,322	-	-	-	-
Debt Services	-	-	9,140,287	-	-
On-Behalf Payments	49,405,403	-	-	-	-
	<u>\$ 171,666,136</u>	<u>\$ 10,241,348</u>	<u>\$ 9,140,287</u>	<u>\$ 4,629,583</u>	<u>\$ 4,158,830</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	<u>\$ (10,239,337)</u>	<u>\$ 1,299,148</u>	<u>\$ (544,122)</u>	<u>\$ (1,429,387)</u>	<u>\$ 517,288</u>
OTHER FINANCING SOURCES (USES)					
Principal on Bonds Sold	\$ -	\$ -	\$ 28,785,000	\$ -	\$ -
Sale or Compensation for Fixed Assets	-	-	-	8,700	-
Interfund Transfers	-	-	-	-	25,000
Other Uses - Bond Refunding	-	-	(28,588,664)	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,336</u>	<u>\$ 8,700</u>	<u>\$ 25,000</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	<u>\$ (10,239,337)</u>	<u>\$ 1,299,148</u>	<u>\$ (347,786)</u>	<u>\$ (1,420,687)</u>	<u>\$ 542,288</u>
FUND BALANCE - JULY 1, 2016	132,028,782	9,497,063	4,885,903	6,801,745	3,120,248
NOTE 19 - FUND BALANCE ADJUSTMENT	<u>792,143</u>	<u>(792,143)</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JUNE 30, 2017	<u><u>\$ 122,581,588</u></u>	<u><u>\$ 10,004,068</u></u>	<u><u>\$ 4,538,117</u></u>	<u><u>\$ 5,381,058</u></u>	<u><u>\$ 3,662,536</u></u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF REVENUE RECEIVED, EXPENDITURES DISBURSED, OTHER
FINANCING SOURCES (USES), AND CHANGES IN FUND BALANCES -
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED					
Local Sources	\$ 109,037	\$ 42,037	\$ 1,644,408	\$ 8,977	\$ 35,262,602
State Sources	14,000,000	-	300,000	81,000	103,335,525
Federal Sources	-	-	-	-	17,621,703
On-Behalf Payments	-	-	-	-	49,405,403
	<u>\$ 14,109,037</u>	<u>\$ 42,037</u>	<u>\$ 1,944,408</u>	<u>\$ 89,977</u>	<u>\$ 205,625,233</u>
EXPENDITURES DISBURSED					
Instruction	\$ -	\$ -	\$ -	\$ -	\$ 78,205,634
Support Services	14,601,552	-	1,831,623	9,474	78,507,707
Community Services	-	-	-	-	656,480
Payments to Other Districts and Governmental Units	-	-	-	-	363,322
Debt Services	-	-	-	-	9,140,287
On-Behalf Payments	-	-	-	-	49,405,403
	<u>\$ 14,601,552</u>	<u>\$ -</u>	<u>\$ 1,831,623</u>	<u>\$ 9,474</u>	<u>\$ 216,278,833</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED OVER EXPENDITURES DISBURSED	<u>\$ (492,515)</u>	<u>\$ 42,037</u>	<u>\$ 112,785</u>	<u>\$ 80,503</u>	<u>\$ (10,653,600)</u>
OTHER FINANCING SOURCES (USES)					
Principal on Bonds Sold	\$ 28,515,000	\$ -	\$ -	\$ -	\$ 57,300,000
Sale or Compensation for Fixed Assets	-	-	-	-	8,700
Interfund Transfers	-	(25,000)	-	-	-
Other Uses - Bond Refunding	(62,268)	-	-	-	(28,650,932)
	<u>\$ 28,452,732</u>	<u>\$ (25,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,657,768</u>
EXCESS OR (DEFICIENCY) OF REVENUE RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES DISBURSED AND OTHER FINANCING USES	<u>\$ 27,960,217</u>	<u>\$ 17,037</u>	<u>\$ 112,785</u>	<u>\$ 80,503</u>	<u>\$ 18,004,168</u>
FUND BALANCE - JULY 1, 2016	4,890,486	5,188,689	3,045,835	1,115,697	170,574,448
NOTE 19 - FUND BALANCE ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JUNE 30, 2017	<u><u>\$ 32,850,703</u></u>	<u><u>\$ 5,205,726</u></u>	<u><u>\$ 3,158,620</u></u>	<u><u>\$ 1,196,200</u></u>	<u><u>\$ 188,578,616</u></u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY
REVENUE RECEIVED					
Local Sources					
Ad Valorem Taxes Levied					
Designated Purpose Levies	\$ 11,968,277	\$ 3,078,953	\$ 7,576,431	\$ 923,073	\$ 1,570,322
Leasing Purposes Levy	25,644	-	-	-	-
Special Education Purposes Levy	25,644	-	-	-	-
FICA/Medicare Only Purposes Levy	-	-	-	-	1,509,299
Payments in Lieu of Taxes					
Corporate Personal Property Replacement Taxes	2,366,524	1,259,119	-	-	1,171,891
Transportation Fees					
Regular Trans. Fees from Other Districts (In State)	-	-	-	132,225	-
Interest on Investments	1,084,522	68,196	39,328	56,482	24,606
Food Service					
Sales to Pupils - Lunch	179,776	-	-	-	-
Sales to Adults	709	-	-	-	-
District/School Activity Income					
Fees	132,391	-	-	-	-
Textbooks					
Other	6,686	-	-	-	-
Rentals	-	30,000	-	-	-
Contributions and Donations from Private Sources	5,057	-	-	-	-
Refund of Prior Years' Expenditures	40,871	500	-	-	-
Other Local Revenues	65,274	103,728	-	12,615	-
Total Local Sources	<u>\$ 15,901,375</u>	<u>\$ 4,540,496</u>	<u>\$ 7,615,759</u>	<u>\$ 1,124,395</u>	<u>\$ 4,276,118</u>
State Sources					
Unrestricted Grants-In-Aid					
General State Aid - Sec. 18-8	\$ 72,727,549	\$ 7,000,000	\$ 119,841	\$ -	\$ 400,000
Restricted Grants-In-Aid					
Special Education					
Private Facility Tuition	680,913	-	-	-	-
Extraordinary	1,443,536	-	-	-	-
Personnel	1,801,211	-	-	-	-
Career & Technical Education (CTE)					
Secondary Program Improvement	11,671	-	-	-	-
Bilingual Education					
Downstate - TPI & TBE	1,598,798	-	-	-	-
State Free Lunch and Breakfast	29,461	-	-	-	-
Transportation					
Regular/Vocational	-	-	-	425,778	-
Special Education	-	-	-	1,650,023	-
Early Childhood - Block Grant	1,065,744	-	-	-	-
Total State Sources	<u>\$ 79,358,883</u>	<u>\$ 7,000,000</u>	<u>\$ 119,841</u>	<u>\$ 2,075,801</u>	<u>\$ 400,000</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	EDUCATIONAL	OPERATIONS AND MAINTENANCE	DEBT SERVICES	TRANSPOR- TATION	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY
REVENUE RECEIVED (Continued)					
Federal Sources					
Restricted Grants-In-Aid Received Directly from the Federal Government through the State					
Food Service					
National School Lunch Program	\$ 4,858,049	\$ -	\$ -	\$ -	\$ -
School Breakfast Program	1,632,339	-	-	-	-
Title I					
Low Income	5,268,815	-	-	-	-
Federal - Special Education					
Preschool - Flow Through	50,723	-	-	-	-
IDEA - Flow Through/Low Incidence	2,875,264	-	-	-	-
IDEA - Room and Board	17,221	-	-	-	-
Qualified School Construction Bond Credits	-	-	468,334	-	-
Build America Bond Interest Reimbursement	-	-	392,231	-	-
Emergency Immigrant Assistance	10,902	-	-	-	-
Title III - English Language Acquisition	474,120	-	-	-	-
Title II - Teacher Quality	461,476	-	-	-	-
Medicaid Matching Funds - Administrative Outreach	421,909	-	-	-	-
Medicaid Matching Funds - Fee-For-Service Program	690,320	-	-	-	-
Total Federal Sources	<u>\$ 16,761,138</u>	<u>\$ -</u>	<u>\$ 860,565</u>	<u>\$ -</u>	<u>\$ -</u>
Total Direct Revenue	<u>\$ 112,021,396</u>	<u>\$ 11,540,496</u>	<u>\$ 8,596,165</u>	<u>\$ 3,200,196</u>	<u>\$ 4,676,118</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED					
Local Sources					
Ad Valorem Taxes Levied					
Designated Purpose Levies	\$ -	\$ -	\$ 1,619,811	\$ -	\$ 26,736,867
Leasing Purposes Levy	-	-	-	-	25,644
Special Education Purposes Levy	-	-	-	-	25,644
FICA/Medicare Only Purposes Levy	-	-	-	-	1,509,299
Payments in Lieu of Taxes					
Corporate Personal Property Replacement Taxes	-	-	-	-	4,797,534
Transportation Fees					
Regular Trans. Fees from Other Districts (In State)	-	-	-	-	132,225
Interest on Investments	105,742	42,037	24,597	8,977	1,454,487
Food Service					
Sales to Pupils - Lunch	-	-	-	-	179,776
Sales to Adults	-	-	-	-	709
District/School Activity Income					
Fees	-	-	-	-	132,391
Textbooks					
Other	-	-	-	-	6,686
Rentals	-	-	-	-	30,000
Contributions and Donations from Private Sources	-	-	-	-	5,057
Refund of Prior Years' Expenditures	3,295	-	-	-	44,666
Other Local Revenues	-	-	-	-	181,617
Total Local Sources	<u>\$ 109,037</u>	<u>\$ 42,037</u>	<u>\$ 1,644,408</u>	<u>\$ 8,977</u>	<u>\$ 35,262,602</u>
State Sources					
Unrestricted Grants-In-Aid					
General State Aid - Sec. 18-8	\$ 14,000,000	\$ -	\$ 300,000	\$ 81,000	\$ 94,628,390
Restricted Grants-In-Aid					
Special Education					
Private Facility Tuition	-	-	-	-	680,913
Extraordinary	-	-	-	-	1,443,536
Personnel	-	-	-	-	1,801,211
Career & Technical Education (CTE)					
Secondary Program Improvement	-	-	-	-	11,671
Bilingual Education					
Downstate - TPI & TBE	-	-	-	-	1,598,798
State Free Lunch and Breakfast	-	-	-	-	29,461
Transportation					
Regular/Vocational	-	-	-	-	425,778
Special Education	-	-	-	-	1,650,023
Early Childhood - Block Grant	-	-	-	-	1,065,744
Total State Sources	<u>\$ 14,000,000</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 81,000</u>	<u>\$ 103,335,525</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF REVENUE RECEIVED
ALL FUNDS EXCEPT AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	CAPITAL PROJECTS	WORKING CASH	TORT	FIRE PREVENTION AND SAFETY	TOTAL (MEMORANDUM ONLY)
REVENUE RECEIVED (Continued)					
Federal Sources					
Restricted Grants-In-Aid Received Directly from the Federal Government through the State					
Food Service					
National School Lunch Program	\$ -	\$ -	\$ -	\$ -	\$ 4,858,049
School Breakfast Program	-	-	-	-	1,632,339
Title I					
Low Income	-	-	-	-	5,268,815
Federal - Special Education					
Preschool - Flow Through	-	-	-	-	50,723
IDEA - Flow Through/Low Incidence	-	-	-	-	2,875,264
IDEA - Room and Board	-	-	-	-	17,221
Qualified School Construction Bond Credits	-	-	-	-	468,334
Build America Bond Interest Reimbursement	-	-	-	-	392,231
Emergency Immigrant Assistance	-	-	-	-	10,902
Title III - English Language Acquisition	-	-	-	-	474,120
Title II - Teacher Quality	-	-	-	-	461,476
Medicaid Matching Funds - Administrative Outreach	-	-	-	-	421,909
Medicaid Matching Funds - Fee-For-Service Program	-	-	-	-	690,320
Total Federal Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,621,703</u>
Total Direct Revenue	<u>\$ 14,109,037</u>	<u>\$ 42,037</u>	<u>\$ 1,944,408</u>	<u>\$ 89,977</u>	<u>\$ 156,219,830</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Instruction		
Regular Programs		
Salaries	\$ 34,375,510	\$ 34,313,434
Employee Benefits	7,434,719	6,425,634
Purchased Services	49,200	23,601
Supplies and Materials	4,036,358	3,731,753
Capital Outlay	20,000	-
Non-Capitalized Equipment	332,600	229,539
	<u>\$ 46,248,387</u>	<u>\$ 44,723,961</u>
Pre-K Programs		
Salaries	\$ 1,462,952	\$ 1,316,693
Employee Benefits	347,077	229,966
Purchased Services	13,865	13,865
Supplies and Materials	137,859	153,612
Non-Capitalized Equipment	8,473	8,474
	<u>\$ 1,970,226</u>	<u>\$ 1,722,610</u>
Special Education Programs		
Salaries	\$ 10,881,596	\$ 10,532,976
Employee Benefits	2,531,027	2,069,792
Purchased Services	29,050	26,940
Supplies and Materials	38,867	32,607
Non-Capitalized Equipment	7,550	7,283
	<u>\$ 13,488,090</u>	<u>\$ 12,669,598</u>
Special Education Programs Pre-K		
Salaries	\$ 428,464	\$ 402,637
Employee Benefits	83,206	55,959
Purchased Services	4,450	-
Supplies and Materials	72,932	66,551
Non-Capitalized Equipment	22,659	22,638
	<u>\$ 611,711</u>	<u>\$ 547,785</u>
Remedial and Supplemental Programs K-12		
Salaries	\$ 856,185	\$ 618,696
Employee Benefits	389,453	260,926
Purchased Services	297,350	264,892
Supplies and Materials	421,792	363,717
Non-Capitalized Equipment	1,257,000	3,000
	<u>\$ 3,221,780</u>	<u>\$ 1,511,231</u>
Interscholastic Programs		
Salaries	\$ 20,500	\$ 20,938
Purchased Services	10,500	11,348
Supplies and Materials	6,764	746
	<u>\$ 37,764</u>	<u>\$ 33,032</u>
Summer School Programs		
Salaries	\$ 203,840	\$ 179,364
Employee Benefits	1,170	1,166
Purchased Services	46,092	46,091
Supplies and Materials	3,551	3,551
	<u>\$ 254,653</u>	<u>\$ 230,172</u>
Gifted Programs		
Purchased Services	\$ 11,000	\$ 10,473
Supplies and Materials	1,000	300
	<u>\$ 12,000</u>	<u>\$ 10,773</u>
Bilingual Programs		
Salaries	\$ 11,434,018	\$ 11,094,346
Employee Benefits	1,950,240	1,688,021
Purchased Services	38,175	3,690
Supplies and Materials	704,769	430,458
	<u>\$ 14,127,202</u>	<u>\$ 13,216,515</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Instruction (Continued)		
Private Tuition - Other Objects		
Regular K-12 Programs	\$ 200,000	\$ 126,949
Special Education Programs K-12	2,125,000	2,000,486
	<u>\$ 2,325,000</u>	<u>\$ 2,127,435</u>
Total Instruction	<u>\$ 82,296,813</u>	<u>\$ 76,793,112</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Salaries	\$ 1,696,381	\$ 1,673,980
Employee Benefits	283,334	231,361
Purchased Services	600	-
Supplies and Materials	1,000	195
	<u>\$ 1,981,315</u>	<u>\$ 1,905,536</u>
Guidance Services		
Salaries	\$ 10,917	\$ 6,910
Purchased Services	1,107	-
	<u>\$ 12,024</u>	<u>\$ 6,910</u>
Health Services		
Salaries	\$ 985,000	\$ 979,554
Employee Benefits	250,949	185,555
Purchased Services	114,500	111,190
Supplies and Materials	12,737	12,300
Non-Capitalized Equipment	2,001	2,000
	<u>\$ 1,365,187</u>	<u>\$ 1,290,599</u>
Psychological Services		
Salaries	\$ 834,140	\$ 808,043
Employee Benefits	180,215	119,319
Purchased Services	642,090	656,296
Supplies and Materials	2,500	2,321
	<u>\$ 1,658,945</u>	<u>\$ 1,585,979</u>
Speech Pathology and Audiology Services		
Salaries	\$ 511,758	\$ 491,044
Employee Benefits	131,749	89,934
Purchased Services	2,277,200	2,243,873
Supplies and Materials	3,150	2,447
	<u>\$ 2,923,857</u>	<u>\$ 2,827,298</u>
Other Support Services - Pupils		
Salaries	\$ 220,313	\$ 169,992
Employee Benefits	60,000	52,224
Purchased Services	1,897,000	1,824,971
Supplies and Materials	9,500	2,320
Non-Capitalized Equipment	2,500	1,549
	<u>\$ 2,189,313</u>	<u>\$ 2,051,056</u>
Total Support Services - Pupils	<u>\$ 10,130,641</u>	<u>\$ 9,667,378</u>
Instructional Staff		
Improvement of Instruction Services		
Salaries	\$ 3,330,478	\$ 2,670,347
Employee Benefits	1,384,812	1,213,148
Purchased Services	924,590	722,002
Supplies and Materials	166,852	53,536
Other Objects	28,228	13,009
	<u>\$ 5,834,960</u>	<u>\$ 4,672,042</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Instructional Staff (Continued)		
Educational Media Services		
Salaries	\$ 974,305	\$ 956,469
Employee Benefits	187,996	161,863
Purchased Services	3,861,287	3,381,137
Supplies and Materials	1,336,643	1,148,509
Capital Outlay	2,484,417	2,294,967
Non-Capitalized Equipment	91,900	79,377
	<u>\$ 8,936,548</u>	<u>\$ 8,022,322</u>
Assessment and Testing		
Salaries	\$ 266,798	\$ 175,276
Employee Benefits	36,000	25,456
Purchased Services	743,040	763,682
Supplies and Materials	66,531	56,702
Non-Capitalized Equipment	5,000	-
	<u>\$ 1,117,369</u>	<u>\$ 1,021,116</u>
Total Support Services - Instructional Staff	<u>\$ 15,888,877</u>	<u>\$ 13,715,480</u>
General Administration		
Board of Education Services		
Salaries	\$ 583,371	\$ 508,278
Employee Benefits	1,323,000	1,233,729
Purchased Services	721,200	696,310
Supplies and Materials	40,573	18,261
Other Objects	60,000	35,282
Termination Benefits	17,000	3,128
	<u>\$ 2,745,144</u>	<u>\$ 2,494,988</u>
Executive Administration Services		
Salaries	\$ 725,460	\$ 720,879
Employee Benefits	161,000	145,991
Purchased Services	34,500	29,119
Supplies and Materials	4,500	1,332
	<u>\$ 925,460</u>	<u>\$ 897,321</u>
Special Area Administration Services		
Salaries	\$ 1,377,065	\$ 1,328,557
Employee Benefits	399,618	336,925
Purchased Services	12,148	6,416
Supplies and Materials	14,811	9,889
Non-Capitalized Equipment	750	528
	<u>\$ 1,804,392</u>	<u>\$ 1,682,315</u>
Total Support Services - General Administration	<u>\$ 5,474,996</u>	<u>\$ 5,074,624</u>
School Administration		
Office of the Principal Services		
Salaries	\$ 5,402,318	\$ 5,419,861
Employee Benefits	1,368,755	1,256,317
Purchased Services	303,000	250,155
Supplies and Materials	324,225	285,088
Other Objects	500	-
Non-Capitalized Equipment	3,300	1,300
	<u>\$ 7,402,098</u>	<u>\$ 7,212,721</u>
Total Support Services - School Administration	<u>\$ 7,402,098</u>	<u>\$ 7,212,721</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
Business		
Direction of Business Support Services		
Salaries	\$ 340,765	\$ 335,457
Employee Benefits	78,000	54,826
Purchased Services	16,398	6,517
Supplies and Materials	9,505	9,492
Other Objects	2,000	1,165
	<u>\$ 446,668</u>	<u>\$ 407,457</u>
Fiscal Services		
Salaries	\$ 366,004	\$ 357,443
Employee Benefits	75,072	73,180
Purchased Services	244,972	164,199
Supplies and Materials	44,000	20,103
Other Objects	2,000	-
Non-Capitalized Equipment	4,000	-
	<u>\$ 736,048</u>	<u>\$ 614,925</u>
Operation and Maintenance of Plant Services		
Salaries	\$ 135,250	\$ 126,827
Employee Benefits	24,264	5,878
Purchased Services	378,100	361,530
Supplies and Materials	27,650	3,595
Capital Outlay	10,000	-
Non-Capitalized Equipment	19,000	-
	<u>\$ 594,264</u>	<u>\$ 497,830</u>
Pupil Transportation Services		
Salaries	\$ 2,496	\$ 1,357
Purchased Services	15,000	2,653
	<u>\$ 17,496</u>	<u>\$ 4,010</u>
Food Services		
Salaries	\$ 2,099,400	\$ 2,019,098
Employee Benefits	36,000	23,437
Purchased Services	132,000	112,996
Supplies and Materials	4,876,232	4,289,375
Other Objects	1,000	187
Non-Capitalized Equipment	113,000	43,326
	<u>\$ 7,257,632</u>	<u>\$ 6,488,419</u>
Total Support Services - Business	<u>\$ 9,052,108</u>	<u>\$ 8,012,641</u>
Central		
Staff Services		
Salaries	\$ 525,332	\$ 502,568
Employee Benefits	103,841	83,663
Purchased Services	188,223	156,361
Supplies and Materials	28,740	17,585
Other Objects	12,600	12,524
Non-Capitalized Equipment	10,000	-
	<u>\$ 868,736</u>	<u>\$ 772,701</u>
Total Support Services - Central	<u>\$ 868,736</u>	<u>\$ 772,701</u>
Other Support Services		
Supplies and Materials	\$ 4,500	\$ 254
Total Other Support Services	<u>\$ 4,500</u>	<u>\$ 254</u>
Total Support Services	<u>\$ 48,821,956</u>	<u>\$ 44,455,799</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
EDUCATIONAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Community Services		
Salaries	\$ 365,690	\$ 259,791
Employee Benefits	128,124	105,581
Purchased Services	217,944	100,089
Supplies and Materials	281,571	170,247
Capital Outlay	7,425	7,425
Non-Capitalized Equipment	7,546	5,367
Total Community Services	<u>\$ 1,008,300</u>	<u>\$ 648,500</u>
Payments to Other Districts and Governmental Units		
Payments to Other Districts and Governmental Units (In-State)		
Payments for Special Education Programs		
Purchased Services	\$ 290,000	\$ 244,558
	<u>\$ 290,000</u>	<u>\$ 244,558</u>
Payments for Adult/Continuing Education Programs		
Purchased Services	\$ 10,000	\$ 10,000
	<u>\$ 10,000</u>	<u>\$ 10,000</u>
Other Payments to In-State Governmental Units		
Other Objects	\$ 182,122	\$ 10,616
	<u>\$ 182,122</u>	<u>\$ 10,616</u>
Total Payments to Other Governmental Units (In-State)	<u>\$ 482,122</u>	<u>\$ 265,174</u>
Payments to Other Districts and Governmental Units-Tuition (In-State)		
Payments for Special Education Programs		
Other Objects	\$ 128,148	\$ 98,148
Total Payments to Other Districts and Governmental Units-Tuition (In-State)	<u>\$ 128,148</u>	<u>\$ 98,148</u>
Total Payments to Other Districts and Governmental Units	<u>\$ 610,270</u>	<u>\$ 363,322</u>
Provision for Contingencies	<u>\$ 50,000</u>	<u>\$ -</u>
Total Direct Expenditures	<u><u>\$ 132,787,339</u></u>	<u><u>\$ 122,260,733</u></u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
OPERATIONS AND MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Operation and Maintenance of Plant Services		
Salaries	\$ 5,550,052	\$ 5,534,794
Employee Benefits	1,063,000	963,610
Purchased Services	1,482,650	1,026,508
Supplies and Materials	2,373,500	2,034,138
Capital Outlay	655,044	488,980
Non-Capitalized Equipment	334,000	193,318
	<u>\$ 11,458,246</u>	<u>\$ 10,241,348</u>
 Total Support Services - Business	 <u>\$ 11,458,246</u>	 <u>\$ 10,241,348</u>
 Total Support Services	 <u>\$ 11,458,246</u>	 <u>\$ 10,241,348</u>
 Total Direct Expenditures	 <u><u>\$ 11,458,246</u></u>	 <u><u>\$ 10,241,348</u></u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
DEBT SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Debt Services		
Interest		
Other Interest on Long-Term Debt		
Other Objects	\$ 2,142,343	\$ 2,158,421
Total Debt Services - Interest	<u>\$ 2,142,343</u>	<u>\$ 2,158,421</u>
Debt Services - Payment of Principal on Long-Term Debt		
Other Objects	\$ 6,825,000	\$ 6,787,456
Total Debt Services - Payment of Principal on Long-Term Debt	<u>\$ 6,825,000</u>	<u>\$ 6,787,456</u>
Debt Services - Other		
Other Objects	\$ 4,500	\$ 194,410
Total Debt Services - Other	<u>\$ 4,500</u>	<u>\$ 194,410</u>
Total Debt Services	<u>\$ 8,971,843</u>	<u>\$ 9,140,287</u>
Total Direct Expenditures	<u>\$ 8,971,843</u>	<u>\$ 9,140,287</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
TRANSPORTATION FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Pupil Transportation Services		
Salaries	\$ 2,317,798	\$ 2,000,341
Employee Benefits	581,000	533,480
Purchased Services	2,075,600	1,838,915
Supplies and Materials	202,500	178,767
Capital Outlay	75,000	72,062
Non-Capitalized Equipment	15,000	6,018
	<u>\$ 5,266,898</u>	<u>\$ 4,629,583</u>
 Total Support Services - Business	 <u>\$ 5,266,898</u>	 <u>\$ 4,629,583</u>
 Total Support Services	 <u>\$ 5,266,898</u>	 <u>\$ 4,629,583</u>
 Total Direct Expenditures	 <u><u>\$ 5,266,898</u></u>	 <u><u>\$ 4,629,583</u></u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Instruction		
Regular Programs		
Employee Benefits	\$ 536,555	\$ 533,729
Pre-K Programs		
Employee Benefits	82,056	70,633
Special Education Programs		
Employee Benefits	684,514	616,008
Special Education Programs - Pre-K		
Employee Benefits	21,930	13,943
Remedial and Supplemental Programs - K-12		
Employee Benefits	12,699	8,539
Interscholastic Programs		
Employee Benefits	521	304
Summer School Programs		
Employee Benefits	14,842	14,483
Bilingual Programs		
Employee Benefits	161,252	154,883
Total Instruction	<u>\$ 1,514,369</u>	<u>\$ 1,412,522</u>
Support Services		
Pupils		
Attendance and Social Work Services		
Employee Benefits	\$ 23,887	\$ 23,349
Health Services		
Employee Benefits	181,034	176,764
Psychological Services		
Employee Benefits	12,004	11,238
Speech Pathology and Audiology Services		
Employee Benefits	7,420	6,744
Other Support Services - Pupils		
Employee Benefits	37,924	30,807
Total Support Services - Pupils	<u>\$ 262,269</u>	<u>\$ 248,902</u>
Instructional Staff		
Improvement of Instruction Services		
Employee Benefits	\$ 63,383	\$ 49,407
Educational Media Services		
Employee Benefits	102,837	101,700
Assessment and Testing		
Employee Benefits	33,411	28,630
Total Support Services - Instructional Staff	<u>\$ 199,631</u>	<u>\$ 179,737</u>
General Administration		
Board of Education Services		
Employee Benefits	\$ 21,050	\$ 12,316
Executive Administration Services		
Employee Benefits	45,488	44,506
Special Area Administrative Services		
Employee Benefits	73,172	69,199
Total Support Services - General Administration	<u>\$ 139,710</u>	<u>\$ 126,021</u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED (Continued)		
Support Services (Continued)		
School Administration		
Office of the Principal Services		
Employee Benefits	\$ 406,749	\$ 397,403
Total Support Services - School Administration	<u>\$ 406,749</u>	<u>\$ 397,403</u>
Business		
Direction of Business Support Services		
Employee Benefits	\$ 23,950	\$ 22,990
Fiscal Services		
Employee Benefits	68,153	65,624
Operation and Maintenance of Plant Services		
Employee Benefits	1,059,860	1,039,300
Pupil Transportation Services		
Employee Benefits	394,970	369,477
Food Services		
Employee Benefits	269,200	235,893
Total Support Services - Business	<u>\$ 1,816,133</u>	<u>\$ 1,733,284</u>
Central		
Staff Services		
Employee Benefits	\$ 54,613	\$ 52,981
Total Support Services - Central	<u>\$ 54,613</u>	<u>\$ 52,981</u>
Total Support Services	<u>\$ 2,879,105</u>	<u>\$ 2,738,328</u>
Community Services		
Employee Benefits	\$ 27,743	\$ 7,980
Total Community Services	<u>\$ 27,743</u>	<u>\$ 7,980</u>
Total Direct Expenditures	<u><u>\$ 4,421,217</u></u>	<u><u>\$ 4,158,830</u></u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Facilities Acquisition and Construction Services		
Purchased Services	\$ 17,500	\$ 10,052
Capital Outlay	15,320,775	14,591,500
Total Support Services - Business	<u>\$ 15,338,275</u>	<u>\$ 14,601,552</u>
 Total Support Services	 <u>\$ 15,338,275</u>	 <u>\$ 14,601,552</u>
 Total Direct Expenditures	 <u><u>\$ 15,338,275</u></u>	 <u><u>\$ 14,601,552</u></u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
TORT FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
General Administration		
Workers' Compensation or Worker's Occupational Disease Act		
Purchased Services	\$ 1,322,144	\$ 1,264,206
	<u>\$ 1,322,144</u>	<u>\$ 1,264,206</u>
Unemployment Insurance Payments		
Purchased Services	\$ 50,000	\$ 37,049
	<u>\$ 50,000</u>	<u>\$ 37,049</u>
Insurance Payments		
Purchased Services	\$ 510,000	\$ 501,012
	<u>\$ 510,000</u>	<u>\$ 501,012</u>
Judgment and Settlements		
Other Objects	\$ -	\$ 29,356
	<u>\$ -</u>	<u>\$ 29,356</u>
Total Support Services - General Administration	<u>\$ 1,882,144</u>	<u>\$ 1,831,623</u>
Total Support Services	<u>\$ 1,882,144</u>	<u>\$ 1,831,623</u>
Total Direct Expenditures	<u><u>\$ 1,882,144</u></u>	<u><u>\$ 1,831,623</u></u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
STATEMENT OF EXPENDITURES DISBURSED - BUDGET TO ACTUAL
FIRE PREVENTION AND SAFETY FUND
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGET	ACTUAL
EXPENDITURES DISBURSED		
Support Services		
Business		
Facilities Acquisition and Construction Services		
Purchased Services	\$ 43,000	\$ -
Capital Outlay	46,000	9,474
	<u>\$ 89,000</u>	<u>\$ 9,474</u>
 Total Support Services - Business	 <u>\$ 89,000</u>	 <u>\$ 9,474</u>
 Total Support Services	 <u>\$ 89,000</u>	 <u>\$ 9,474</u>
 Total Direct Expenditures	 <u><u>\$ 89,000</u></u>	 <u><u>\$ 9,474</u></u>

The Notes to Financial Statements are an integral part of this statement.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cicero Public School District No. 99's (District) accounting policies conform to the cash basis of accounting as defined by the Illinois State Board of Education Audit Guide.

A. Principles Used to Determine Scope of Entity

The reporting entity includes the governing board and all related organizations for which the District exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities which benefit its citizens, including joint agreements which serve pupils from numerous districts, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The District is not aware of any entity which would exercise such oversight as to result in the District being considered a component unit of the entity.

B. Basis of Presentation – Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities arising from cash transactions, fund balance, revenue received, and expenditures disbursed.

The District maintains individual funds required by the State of Illinois. These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds and account groups are used by the District:

Educational Fund – The Educational Fund is the general operating fund of the District. It is used to account for all transactions that are not specifically covered in another fund. Certain expenditures that must be charged to this fund include the direct costs of instructional programs, health and attendance services, lunch programs, all costs of administration, and related insurance costs. Certain revenues that must be credited to this fund include educational tax levies, tuition, and textbook rentals. Special Education is included in this fund.

Operations and Maintenance Fund – The Operations and Maintenance Fund is used to account for all costs of maintaining, improving, or repairing school buildings and property, renting buildings and property for school purposes, or paying of premiums for insurance on school buildings. Operations of this fund are generally financed by a special tax levied for these purposes and contributions and donations from private sources.

Debt Services Fund – The Debt Services Fund is used to account for all principal, interest, and administrative costs for debt payments. Operations of this fund are generally financed by a special tax levied for these purposes or operating transfers from other funds.

NOTES TO FINANCIAL STATEMENTS (Continued)

Transportation Fund – The Transportation Fund is used to account for the costs associated with transporting pupils for any purpose. Revenue received for transportation purposes from any source must be deposited into this fund, including property taxes levied and state grants received for these purposes.

Illinois Municipal Retirement/Social Security Fund – The Illinois Municipal Retirement/Social Security Fund is used to account for costs of providing retirement benefits under Illinois Municipal Retirement Fund and Social Security if there are separate taxes levied for these purposes. If separate taxes are not levied for these purposes, then the payments shall be charged to the fund where the salaries are charged.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Working Cash Fund – The Working Cash Fund is used to account for a separate tax levied for working cash purposes and for any bonds sold for this purpose. Cash available in this fund may be loaned to any fund of the District.

Tort Fund – The Tort Fund is used to account for a separate tax levied for tort immunity or tort judgment purposes and for any bonds sold for this purpose.

Fire Prevention and Safety Fund – The Fire Prevention and Safety Fund is used to account for the proceeds of specific revenue sources that are legally restricted for fire prevention and safety projects.

General Fixed Assets Account Group – The General Fixed Assets Account Group is used to record physical assets of the District that have a long-term (i.e. more than one year) period of usefulness.

General Long-Term Debt Account Group – The General Long-Term Debt Account Group is used to record total bonded debt and other long-term debt of the District.

Measurement Focus

The financial statements of all funds, except the two account groups, focus on the measurement of spending or “financial flow” and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets.

Their reported fund balance (net current assets) is considered a measure of “available spendable resources”. Fund operating statements present increases (cash receipts and other financing sources) and decreases (cash disbursements and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

General Fixed Assets and General Long-Term Debt Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used in operations are accounted for in the General Fixed Assets Account Group rather than in the funds. Long-term liabilities expected to be financed from the funds are accounted for in the General Long-Term Debt Account Group, not in the funds.

The two account groups are not “funds.” They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

NOTES TO FINANCIAL STATEMENTS (Continued)

C. *Basis of Accounting*

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The District maintains its accounting records for all funds and account groups on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related bond principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

If the District utilized accounting principles generally accepted in the United States of America, the basic financial statements would be replaced with government-wide financial statements and fund financial statements. The fund financial statements would use the modified accrual basis of accounting. The government-wide financial statements would be presented on the accrual basis of accounting.

D. *Budgets and Budgetary Accounting*

The budget for all funds is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5/17-1 of the Illinois Compiled Statutes. The original budget was approved on September 26, 2016. The amended budget was approved on June 21, 2017.

For each fund, total fund disbursements may not legally exceed the budgeted disbursements. The budget lapses at the end of each fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all District funds. Instead, the funds maintain their balances in common accounts, with accounting records being maintained to show the portion of the common bank account balances attributable to each participating fund.

NOTES TO FINANCIAL STATEMENTS (Continued)

Occasionally, certain of the funds participating in the common bank accounts will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other District funds and are, therefore, interfund loans which have not been authorized by Board action.

No District fund had a cash overdraft at June 30, 2017.

Cash and cash equivalents are considered to be cash on hand, checking accounts, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at the lower of cost or market. Gains or losses on the sale of investments are recognized upon realization.

F. *Inventories*

It is the District's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the values of resale or supply items on hand.

G. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate. All other interfund transactions are treated as transfers.

H. *General Fixed Assets*

General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as disbursements in the funds for which the asset was purchased and capitalized at cost, if over \$5,000, in the General Fixed Assets Account Group. Donated general fixed assets are stated at estimated fair market value as of the date of acquisition. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge, which is calculated on a straight-line basis with useful lives of 50 years for Buildings, 20 years for Improvements Other than Buildings, and 5 to 10 years for Equipment).

I. *Governmental Fund Balances*

Governmental fund balances are reported as "reserved" because they are legally segregated for a specific future use. The remaining balances are "unreserved" fund balances. From time to time, the Board agrees to set aside, or "designate", resources for future uses – such as for specific capital projects. These unreserved, designated balances are based on management's tentative plans and can be changed.

J. *Property Tax Calendar and Revenues*

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The levy was passed by the Board on December 14, 2016. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments early in March and early in September. The District receives significant distributions of tax receipts on each due date and for about ninety days thereafter.

K. *Total Memorandum Only*

The "Total Memorandum Only" column represents the aggregation (by addition) of the line item amounts reported for each fund and account group. No consolidating or other eliminations were made in arriving at the totals; thus they do not present consolidated information.

NOTES TO FINANCIAL STATEMENTS (Continued)

These totals are presented only to facilitate financial analysis and are not intended to reflect the financial position or results of operations of the District as a whole.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured or collateralized by securities held in the District's name.

The District is allowed to invest in securities as authorized by the School Code of Illinois, Chapter 30, Section 235/2 and 6; and Chapter 105, Section 5/8-7.

Investments

As of June 30, 2017, the District had the following investments and maturities:

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	5 - 10	More Than 10
State Investment Pools	\$ 1,765,212	\$ 1,765,212	\$ -	\$ -	\$ -
Federal Home Loan Mtg Corp	17,996,183	3,500,000	14,496,183	-	-
Federal Home Loan Bank	19,622,440	2,000,000	13,603,840	4,018,600	-
Fannie Mae	21,490,979	-	20,500,209	990,770	-
Federal Farm Credit Bank	20,777,500	-	14,000,000	6,777,500	-
Municipal Bonds	40,466,719	7,476,585	26,366,814	6,146,790	476,530
Totals	<u>\$ 122,119,033</u>	<u>\$ 14,741,797</u>	<u>\$ 88,967,046</u>	<u>\$ 17,933,660</u>	<u>\$ 476,530</u>

The fair value of investments in the State Investment Pools is the same as the value of pool shares. The State Investment Pools are not SEC-registered, but do have regulatory oversight through the State of Illinois.

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments based on credit risk. The District's investment policy further limits its investment choices to ensure that capital loss, whether from credit or market risk, is avoided. As of June 30, 2017, the District's investments were rated as follows:

Investment	Credit Rating	Rating Source
State Investment Pools	AAAm	Standard and Poor's
Federal Home Loan Mtg Corp	AA+/Aaa	Standard and Poor's/Moody's
Federal Home Loan Bank	AA+	Standard and Poor's
Fannie Mae	AA+	Standard and Poor's
Federal Farm Credit Bank	AA+	Standard and Poor's
Municipal Bonds	A+, AAA, AA, AA-, AA+, A-, BBB+, Aa1, A2, Aa2, Aa3, A3	Standard and Poor's/Moody's

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer. More than 5% of the District's investments are in Municipal Bonds (33%), Fannie Mae (18%), Federal Farm Credit Bank (17%) Federal Home Loan Bank (16%), and Federal Home Loan Mortgage Corporation (15%).

NOTE 3 - FAIR VALUE MEASUREMENT

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to

NOTES TO FINANCIAL STATEMENTS (Continued)

measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2017:

Investments by fair value level	6/30/2017	Fair Value Measurements Using:	
		Significant	Other Observable Inputs (Level 2)
Federal Home Loan Mtg Corp	\$ 17,996,183	\$	17,996,183
Federal Home Loan Bank	19,622,440		19,622,440
Fannie Mae	21,490,979		21,490,979
Federal Farm Credit Bank	20,777,500		20,777,500
Municipal Bonds	40,466,719		40,466,719
Total Investments by fair value level	<u>\$ 120,353,821</u>	<u>\$</u>	<u>120,353,821</u>

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Land	\$ 11,381,551	\$ -	\$ -	\$ 11,381,551
Buildings and Building Improvements	218,951,463	10,720,311	-	229,671,774
Site Improvements and Infrastructure	3,155,468	692,913	-	3,848,381
Capitalized Equipment	25,380,308	3,059,612	464,704	27,975,216
Construction in Progress	20,079,446	2,991,572	-	23,071,018
	<u>\$ 278,948,236</u>	<u>\$ 17,464,408</u>	<u>\$ 464,704</u>	<u>\$ 295,947,940</u>

NOTE 5 - CHANGES IN GENERAL LONG-TERM DEBT

Changes in general long-term debt are summarized as follows:

	Balance July 1, 2016	Additions	Retirement	Balance June 30, 2017	Amounts Due Within One Year
Long-Term Debt					
General Obligation Bonds					
Dated 5/15/1997	\$ 1,815,000	\$ -	\$ 1,815,000	\$ -	\$ -
Dated 11/7/2016	-	28,515,000	28,515,000	-	-
General Obligation Limited Bonds					
Dated 6/1/2006	955,000	-	955,000	-	-
Dated 3/5/2008	635,000	-	635,000	-	-
Dated 6/9/2009	4,930,000	-	-	4,930,000	2,390,000
Dated 9/29/2009	22,450,000	-	-	22,450,000	245,000
General Obligation Refunding Bonds					
Dated 6/1/2006	2,600,000	-	2,600,000	-	-
Dated 6/1/2006	685,000	-	685,000	-	-
Dated 12/29/2016	-	28,445,000	-	28,445,000	1,885,000
Dated 12/29/2016	-	340,000	-	340,000	340,000
Capital Leases					
Dated 8/25/2016	-	215,536	46,480	169,056	47,838
Dated 11/14/2016	-	438,512	50,976	387,536	113,509
Total Long-Term Debt	<u>\$ 34,070,000</u>	<u>\$ 57,954,048</u>	<u>\$ 35,302,456</u>	<u>\$ 56,721,592</u>	<u>\$ 5,021,347</u>

Bonds and notes payable consisted of the following at June 30, 2017:

NOTES TO FINANCIAL STATEMENTS (Continued)

Long-Term Debt	Maturity Date	Interest Rate	Face Amount	Carrying Amount
General Obligation Bonds				
Dated 5/15/1997	12/1/2016	4.1% - 8.5%	\$ 21,135,000	\$ -
Dated 11/7/2016	12/29/2016	4.50%	28,515,000	-
General Obligation Limited Bonds				
Dated 6/1/2006	12/1/2016	6.125%	5,000,000	-
Dated 3/5/2008	12/1/2016	3.550%	8,000,000	-
Dated 6/9/2009	12/1/2018	3.00% - 5.00%	4,930,000	4,930,000
Dated 9/29/2009 (1)	12/1/2025	4.60% - 5.70%	22,450,000	22,450,000
General Obligation Refunding Bonds				
Dated 6/1/2006	12/1/2016	4.00% - 5.00%	11,325,000	-
Dated 6/1/2006	12/1/2016	4.00% - 5.00%	4,495,000	-
Dated 12/29/2016	12/1/2041	1.558%-5.087%	28,445,000	28,445,000
Dated 12/29/2016	12/1/2017	1.558%	340,000	340,000
Capital Leases				
Dated 8/29/2016	8/15/2020	4.500%	215,536	169,056
Dated 11/14/2016	11/15/2020	4.500%	438,512	387,536

(1) Build America Bonds include a provision that 35% of the interest paid will be rebated to the District from the US Treasury.

At June 30, 2017 the annual debt service requirements to cover all outstanding debt are:

Year Ending June 30	Principal	Interest	Total	Rebate
2018	\$ 5,021,347	\$ 2,645,335	\$ 7,666,682	\$ 419,328
2019	4,214,278	2,497,089	6,711,367	415,917
2020	4,371,825	2,323,078	6,694,903	390,579
2021	4,364,142	2,138,927	6,503,069	341,000
2022	3,030,000	1,966,706	4,996,706	287,746
2023	3,135,000	1,803,673	4,938,673	230,685
2024	3,240,000	1,627,080	4,867,080	168,877
2025	3,360,000	1,438,980	4,798,980	103,042
2026	3,485,000	1,243,898	4,728,898	34,763
2027	-	1,144,575	1,144,575	-
2028-2032	-	5,722,875	5,722,875	-
2033-2037	-	5,722,875	5,722,875	-
2038-2042	22,500,000	5,150,588	27,650,588	-
	<u>\$ 56,721,592</u>	<u>\$ 35,425,678</u>	<u>\$ 92,147,270</u>	<u>\$ 2,391,937</u>

NOTE 6 - SPECIAL TAX LEVIES AND RESERVED EQUITY

A. Special Education Tax Levy

Cash receipts and the related cash disbursements of this reserved tax levy are accounted for in the Educational Fund. A portion, \$824,140, of this fund's equity represents the excess of cumulative receipts over cumulative disbursements which is reserved for future special education disbursements in accordance with the Illinois State Board of Education.

B. Social Security Tax Levy

Cash receipts and the related cash disbursements of this reserved tax levy are accounted for in the Illinois Municipal Retirement/Social Security Fund. The current year disbursements exceeded the current year receipts and any prior year carryover balance. Accordingly, there is no equity reserve balance for this special tax levy.

NOTES TO FINANCIAL STATEMENTS (Continued)

C. *Leasing Levy*

Cash receipts and the related cash disbursements of this reserved tax levy are accounted for in the Educational Fund. The current year disbursements exceeded the current year receipts and any prior year carryover balance. Accordingly, there is no equity reserve balance for this special tax levy.

NOTE 7 - DEFICIT FUND BALANCE

No District fund had a deficit fund balance at June 30, 2017.

NOTE 8 - PROPERTY TAXES

Taxes recorded in these financial statements are from the 2015 and prior (\$14,949,584) and 2016 (\$13,347,870) tax levies.

A summary of the past three years assessed valuations, tax rates, and extensions follows:

TAX YEAR	2016		2015		2014	
ASSESSED VALUATION	\$567,676,559		\$548,979,432		\$568,953,614	
	Rate	Extension	Rate	Extension	Rate	Extension
Educational	2.0755	\$ 11,781,870	2.1353	\$ 11,722,445	2.0180	\$ 11,481,559
Tort Immunity	0.2827	1,604,667	0.2872	1,576,869	0.2714	1,544,328
Special Education	0.0043	24,546	0.0047	25,788	0.0059	33,355
Operations and Maintenance	0.5333	3,027,165	0.5500	3,019,387	0.5452	3,101,755
Transportation	0.1617	918,160	0.1630	895,036	0.1507	857,638
Illinois Municipal Retirement	0.2748	1,560,167	0.2777	1,524,351	0.2522	1,435,080
Debt Service	1.1150	6,329,763	1.5489	8,503,186	1.4827	8,435,857
Social Security	0.2646	1,501,867	0.2665	1,462,881	0.2658	1,512,204
Leasing Educational Facilities	0.0043	24,546	0.0047	25,788	0.0059	33,355
	<u>4.7162</u>	<u>\$ 26,772,751</u>	<u>5.2380</u>	<u>\$ 28,755,731</u>	<u>4.9978</u>	<u>\$ 28,435,131</u>

NOTE 9 - OVEREXPENDITURE OF BUDGET

For the year ended June 30, 2017, the following District fund had expenditures that exceeded the budgeted amounts:

Fund	Budget	Actual	Excess of Actual Over Budget
Debt Services	\$ 8,971,843	\$ 9,140,287	\$ 168,444

The over-expenditure was covered by available fund balance.

NOTE 10 - OPERATING LEASES, AS LESSEE

The District, as lessee, leases a mailing system, copiers, computers, laptops, and buses.

Minimum annual rentals are as follows:

Year Ending June 30	Amount
2018	\$ 1,819,502
2019	636,358
2020	428,511
2021	231,655
2022	109,472
	<u>\$ 3,225,498</u>

Rental expense under these leases for the year ended June 30, 2017 was \$1,857,043.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - RETIREMENT FUND COMMITMENTS

A. *Teachers' Retirement System of the State of Illinois*

General Information About the Pension Plan

Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr.htm>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with ten years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last ten years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2% of final average salary up to a maximum of 75% with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with ten years of service, or a discounted annuity can be paid at age 62 with ten years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I retirees receive an annual 3% increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of 3% of the original benefit or ½% of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Contributions

The State of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016 was 9.4% of creditable earnings. On July 1, 2016, the rate dropped to 9.0% of pay due to the expiration of the Early Retirement Option (ERO). The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

NOTES TO FINANCIAL STATEMENTS (Continued)

On-Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2017, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$48,657,513 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2017 were \$387,300.

Federal and Special Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the State contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2017, the District pension contribution was 38.54% of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$3,000,599 were paid from federal and special trust funds that required District contributions of \$1,156,431.

Employer Retirement Cost Contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the ERO. The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016 is 146.5% and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the District paid \$0 to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2017, the District paid \$5,970 to TRS for employer contributions due on salary increases in excess of 6% and \$1,328 for sick leave days granted in excess of the normal annual allotment.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the District has a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The State's support and total are for disclosure purposes only. The District's proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 27,025,984
State's proportionate share of the net pension liability associated with the District	495,463,269
Total Net Pension Liability	<u>\$ 522,489,253</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 and rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2016, the District's proportion was 0.0342378%, which was a decrease of .0036261% from its proportion measured as of June 30, 2015.

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended June 30, 2017, the District recognized pension expense of \$48,657,513 and revenue of \$48,657,513 for support provided by the State. At June 30, 2017, the deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 199,833	\$ (18,330)	\$ 181,503
Net difference between projected and actual earnings on pension plan investments	763,532	-	763,532
Changes of assumptions	2,321,129	-	2,321,129
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,809	(1,948,453)	(1,946,644)
Employer contributions subsequent to the measurement date	1,543,731	-	1,543,731
	<u>\$ 4,830,034</u>	<u>\$ (1,966,783)</u>	<u>\$ 2,863,251</u>

\$1,543,731 of deferred outflows of resources related to pensions results from employer contributions subsequent to the measurement date. Other deferred outflows of resources and deferred inflows of resources related to pensions will be part of the pension expense in future years as follows:

Year Ending June 30	Amount
2018	\$ 241,068
2019	241,068
2020	495,274
2021	324,127
2022	17,983
	<u>\$ 1,319,520</u>

Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	varies by amount of service credit
Investment Rate of Return	7.0%, net of pension plan investment expenses, including inflation

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.5% to 7.0%. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

NOTES TO FINANCIAL STATEMENTS (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6%	8.09%
International equities developed	14.4%	7.46%
Emerging market equities	3.6%	10.15%
U.S. bonds core	10.7%	2.44%
International debt developed	5.3%	1.70%
Real estate	15.0%	5.44%
Commodities (real return)	11.0%	4.28%
Hedge funds (absolute return)	8.0%	4.16%
Private Equity	14.0%	10.63%
	<u>100.0%</u>	

Discount Rate

At June 30, 2016, the discount rate used to measure total pension liability was a blended rate of 6.83%, which was a change from the June 30, 2015 rate of 7.47%. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2016 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2015, the discount rate used to measure the total pension liability was 7.47%. The discount rate was lower than the actuarially-assumed rate of return on investments that year as well because TRS's fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.83%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.83%) or 1-percentage-point-higher (7.83%) than the current rate.

	1% Decrease 5.83%	Current Discount Rate 6.83%	1% Increase 7.83%
Employer's proportionate share of the net pension liability	\$ 33,053,876	\$ 27,025,984	\$ 22,102,796

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2016 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

NOTES TO FINANCIAL STATEMENTS (Continued)

B. *Illinois Municipal Retirement Fund*

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last ten years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired **on or after** January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last ten years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. At December 31, 2016, the measurement date, the District's membership consisted of:

Retirees and beneficiaries currently receiving benefits	223
Inactive plan members entitled to but not yet receiving benefits	342
Active plan members	461
Total	<u><u>1,026</u></u>

NOTES TO FINANCIAL STATEMENTS (Continued)

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2016 was 11.10%. For the fiscal year ended June 30, 2017, the District contributed \$1,878,441 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The components of the net pension liability of the IMRF as of December 31, 2016, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 69,754,975
IMRF Fiduciary Net Position	59,884,404
District's Net Pension Liability	9,870,571
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability	85.85%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Supplemental Financial Information following the notes to the financial statements for additional information related to the funded status of the plan.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2016 using the following actuarial methods and assumptions:

Assumptions	
Inflation	2.75%
Salary Increases	3.75% - 14.50% including inflation
Interest Rate	7.50%
Asset Valuation Method	
Market value of assets	
Projected Retirement Age	
Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.	

The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns,

NOTES TO FINANCIAL STATEMENTS (Continued)

net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2016:

Asset Class	Target Allocation	Projected Return
Equities	38.0%	6.85%
International Equities	17.0%	6.75%
Fixed Income	27.0%	3.00%
Real Estate	8.0%	5.75%
Alternatives	9.0%	
Private Equity		7.35%
Hedge Funds		5.25%
Commodities		2.65%
Cash	1.0%	2.25%
	<u>100.0%</u>	

Single Discount Rate

The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this discount rate, the expected rate of return on plan investments is 7.50%; the municipal bond rate is 3.78%; and resulting single discount rate is 7.50%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2015	\$ 67,720,335	\$ 56,200,783	\$ 11,519,552
Changes for the year:			
Service Cost	\$ 1,790,907	\$ -	\$ 1,790,907
Interest on the Total Pension Liability	5,047,185	-	5,047,185
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(2,338,252)	-	(2,338,252)
Changes of Assumptions	(185,091)	-	(185,091)
Contributions - Employer	-	1,790,797	(1,790,797)
Contributions - Employee	-	725,993	(725,993)
Net Investment Income	-	3,921,598	(3,921,598)
Benefit Payments, Including Refunds of Employee Contributions	(2,280,109)	(2,280,109)	-
Other (Net Transfer)	-	(474,658)	474,658
Net Changes	\$ 2,034,640	\$ 3,683,621	\$ (1,648,981)
Balances at December 31, 2016	\$ 69,754,975	\$ 59,884,404	\$ 9,870,571

NOTES TO FINANCIAL STATEMENTS (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower 6.50%	Current Discount Rate 7.50%	1% Higher 8.50%
Net Pension Liability/(Asset)	\$ 19,900,877	\$ 9,870,571	\$ 1,728,100

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the District's pension expense is \$3,727,840. At June 30, 2017, the District's deferred outflows of resources and deferred inflows of resources related to pension from the following sources were as follows:

Expense in Future Periods	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 937,385	\$ 1,842,975	\$ (905,590)
Changes of assumptions	886,736	145,886	740,850
Net difference between projected and actual earnings on pension plan investments	2,890,954	-	2,890,954
Total deferred amounts to be recognized in pension expense in future periods	\$ 4,715,075	\$ 1,988,861	\$ 2,726,214
Pension contributions made subsequent to the measurement date	926,634	-	926,634
Total deferred amounts related to pensions	\$ 5,641,709	\$ 1,988,861	\$ 3,652,848

Deferred outflows of resources and deferred inflows of resources related to pensions will be part of the pension expense in future years as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2017	\$ 1,347,218
2018	1,181,487
2019	526,015
2020	(328,506)
2021	-
Thereafter	-
	<u>\$ 2,726,214</u>

C. Social Security

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid all required contributions for the current fiscal year.

NOTE 12 - POST EMPLOYMENT BENEFIT COMMITMENTS

Teacher Health Insurance Security Fund (THIS)

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature

NOTES TO FINANCIAL STATEMENTS (Continued)

for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year.

- On behalf contributions to THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12% of pay during the year ended June 30, 2017. State of Illinois contributions were \$747,890, and the District recognized revenue and expenditures of this amount during the year.

- Employer contributions to THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.84% during the year ended June 30, 2017. For the year ended June 30, 2017, the District paid \$560,917 to the THIS Fund, which was 100% of the required contribution.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General (<http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>). The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Prior reports are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

NOTE 13 - INTERFUND TRANSFERS

The following interfund transfers were made during the year ended June 30, 2017:

Transfer from	Transfer to	Amount
Working Cash Fund	Illinois Municipal Retirement/Social Security Fund	\$ 25,000

The transfer was made to move Working Cash Fund interest to the Illinois Municipal Retirement/Social Security Fund.

NOTE 14 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to handle these risks of loss. During fiscal year 2017 there was no significant reduction in insurance coverage for any category. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTES TO FINANCIAL STATEMENTS (Continued)

The District is also a member of the Illinois Counties Risk Management Trust, a joint risk management pool of public entities and governmental taxing bodies through which workers' compensation coverage is provided.

NOTE 15 - SELF INSURANCE

The District self-insures a portion of its employees' health care benefits which provides group medical coverage. A third party administrator has been contracted to manage the plan. Stop loss insurance has been obtained for losses in excess of certain limitations. At June 30, 2017 the liability for unpaid claims was \$326,700. A reconciliation of changes in the aggregate liabilities for claims for the past three years is as follows:

	Fiscal Year Ending June 30		
	2017	2016	2015
Claims Liabilities - Beginning of Year	\$ 582,755	\$ 399,244	\$ 310,345
Incurred Claims	7,930,810	8,342,934	5,998,077
Payments on Claims	(8,186,865)	(8,159,423)	(5,909,178)
Claims Liabilities - End of Year	<u>\$ 326,700</u>	<u>\$ 582,755</u>	<u>\$ 399,244</u>

NOTE 16 - CONSTRUCTION COMMITMENTS

The District has numerous summer construction projects and the construction of a new school in progress at June 30, 2017. As of June 30, 2017 the District estimates it will cost \$33,604,167 to complete these projects. The District has paid \$26,651,316 on these contracts as of the end of the fiscal year.

NOTE 17 - CONTINGENCIES

The District is involved in litigation regarding the termination of an employee who alleges Breach of Contract, Violation of Whistleblower's Act, and violation of the Illinois False Claims Act. This matter is currently in the discovery stage. The maximum possible exposure to the District in the matter is \$250,000 – \$350,000.

A District employee filed an unfair labor practice charge with the Illinois Educational Relations Board, claiming unfair labor practices, including harassment, discrimination, and wrongful termination. The matter is still being investigated to determine the range of potential loss.

The District is also involved in potential litigation from a current employee, alleging harassment by a former coworker, which left the employee scared and emotionally unprepared to continue teaching. The matter is still being investigated to determine the range of potential loss.

NOTE 18 - LEGAL DEBT LIMITATION

The Illinois Compiled Statutes limits the amount of indebtedness to 6.9% of the most recent available equalized assessed valuation (EAV) of the District. The District's legal debt limitation is as follows:

2016 EAV	\$ 567,676,559
Rate	<u>6.90%</u>
Debt Margin	\$ 39,169,683
Current Debt	<u>56,721,592</u>
Remaining Debt Margin	<u>\$ (17,551,909)</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 19 - FUND BALANCE ADJUSTMENT

During the fiscal year ended June 30, 2017, the District elected to report the reserved fund balance for special education purposes in the Education Fund rather than the Operations and Maintenance Fund. As a result of this decision, \$792,143 in beginning fund balance was transferred from the Operations and Maintenance Fund to the Education Fund.

SUPPLEMENTAL FINANCIAL INFORMATION

CICERO PUBLIC SCHOOL DISTRICT NO. 99
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
JUNE 30, 2017

	<u>6/30/2017*</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
TOTAL PENSION LIABILITY			
Service Cost	\$ 1,790,907	\$ 1,670,463	\$ 1,752,813
Interest on the Total Pension Liability	5,047,185	4,636,707	4,152,570
Differences Between Expected and Actual Experience	(2,338,252)	1,329,445	470,745
Changes of Assumptions	(185,091)	90,508	2,292,715
Benefit Payments, Including Refunds of Member Contributions	<u>(2,280,109)</u>	<u>(2,153,714)</u>	<u>(2,026,216)</u>
Net Change in Total Pension Liability	<u>\$ 2,034,640</u>	<u>\$ 5,573,409</u>	<u>\$ 6,642,627</u>
 Total Pension Liability - Beginning	 <u>67,720,335</u>	 <u>62,146,926</u>	 <u>55,504,299</u>
 Total Pension Liability - Ending	 <u>\$ 69,754,975</u>	 <u>\$ 67,720,335</u>	 <u>\$ 62,146,926</u>
 PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 1,790,797	\$ 1,769,885	\$ 1,642,699
Contributions - Member	725,993	733,650	677,940
Net Investment Income	3,921,598	283,944	3,224,456
Benefit Payments, Including Refunds of Member Contributions	(2,280,109)	(2,153,714)	(2,026,216)
Other (Net Transfers)	<u>(474,658)</u>	<u>(1,046,838)</u>	<u>382,253</u>
Net Change in Plan Fiduciary Net Position	<u>\$ 3,683,621</u>	<u>\$ (413,073)</u>	<u>\$ 3,901,132</u>
 Plan Net Position - Beginning	 <u>56,200,783</u>	 <u>56,613,856</u>	 <u>52,712,724</u>
 Plan Net Position - Ending	 <u>\$ 59,884,404</u>	 <u>\$ 56,200,783</u>	 <u>\$ 56,613,856</u>
 District's Net Pension Liability	 <u>\$ 9,870,571</u>	 <u>\$ 11,519,552</u>	 <u>\$ 5,533,070</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 85.85%	 82.99%	 91.10%
 Covered-Valuation Payroll	 \$ 16,129,751	 \$ 16,075,248	 \$ 14,746,464
 Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll	 61.19%	 71.66%	 37.52%

* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Opinion

CICERO PUBLIC SCHOOL DISTRICT NO. 99
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
JUNE 30, 2017

	6/30/2017 *	6/30/2016 *	6/30/2015 *
Actuarially-Determined Contribution	\$ 1,790,402	\$ 1,769,885	\$ 1,616,212
Contributions in relation to Actuarially-Determined Contribution	1,790,797	1,769,885	1,642,699
Contribution deficiency/(excess)	<u>\$ (395)</u>	<u>\$ -</u>	<u>\$ (26,487)</u>
Covered-Valuation Payroll	\$ 16,129,751	\$ 16,075,248	\$ 14,746,464
Contributions as a percentage of Covered-Valuation Payroll	11.10%	11.01%	11.14%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2016 Contribution Rate *

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Actuarial Cost Method: Aggregate entry age = normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 27-year closed period

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth: 3.5%

Price Inflation: 2.75%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 3.75% to 14.50%, including inflation

Investment Rate of Return: 7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.

Mortality: RP-2014 Blue Collar Healthy Mortality Table, adjusted to match current IMRF experience. For disabled lives, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

*Based on Valuation Assumptions used in the December 31, 2014 actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
JUNE 30, 2017

	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Employer's proportion of the Net Pension Liability	0.0342378%	0.0378639%	0.0379295%
Employer's proportionate share of the Net Pension Liability	\$ 27,025,984	\$ 24,804,656	\$ 23,083,233
State's proportionate share of the Net Pension Liability associated with the employer	<u>495,463,269</u>	<u>397,921,498</u>	<u>365,737,172</u>
Total	<u>\$ 522,489,253</u>	<u>\$ 422,726,154</u>	<u>\$ 388,820,405</u>
Employer's Covered-Employee Payroll	\$ 62,527,699	\$ 61,457,405	\$ 59,272,037
Employer's proportionate share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	43.22%	40.36%	38.94%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	36.40%	41.50%	43.00%

* - The amounts presented were determined as of the prior fiscal-year end

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

Changes of Assumptions:

For the 2016 measurement year, the assumed investment rate of return was of 7.0%, including an inflation rate of 2.5% and a real return of 4.5%. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.5%, including an inflation rate of 3.0% and a real return of 4.5%. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.5%, including an inflation rate of 3.0% and a real return of 4.5%. However, salary increases were assumed to vary by age.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
JUNE 30, 2017

	<u>6/30/2017 *</u>	<u>6/30/2016 *</u>	<u>6/30/2015 *</u>
Statutorily-Required Contribution	\$ 1,324,031	\$ 1,327,116	\$ 1,352,416
Contributions in relation to Statutorily-Required Contribution	<u>1,325,931</u>	<u>1,327,116</u>	<u>1,352,416</u>
Contribution deficiency/(excess)	<u>\$ (1,900)</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered-Employee Payroll	\$ 62,527,699	\$ 61,457,405	\$ 59,272,037
Contributions as a percentage of Covered-Employee Payroll	2.12%	2.16%	2.28%

* - This information presented is based on the actuarial valuation performed as of the prior June 30 year end.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
COMPUTATION OF OPERATING EXPENSE PER PUPIL
AND PER CAPITA TUITION CHARGE
FOR THE YEAR ENDED JUNE 30, 2017

OPERATING EXPENSE PER PUPIL			
EXPENDITURES:			
ED	Total Expenditures	\$	122,260,733
O&M	Total Expenditures		10,241,348
DS	Total Expenditures		9,140,287
TR	Total Expenditures		4,629,583
MR/SS	Total Expenditures		4,158,830
TORT	Total Expenditures		1,831,623
	Total Expenditures	\$	152,262,404

LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:

TR	1412	Regular - Transp Fees from Other Districts (In State)	\$	132,225
ED	1125	Pre-K Programs		1,714,136
ED	1225	Special Education Programs Pre-K		525,147
ED	1600	Summer School Programs		230,172
ED	1911	Regular K-12 Programs - Private Tuition		126,949
ED	1912	Special Education Programs K-12 - Private Tuition		2,000,486
ED	3000	Community Services		635,708
ED	4000	Total Payments to Other District & Govt Units		363,322
ED	-	Capital Outlay		2,302,392
ED	-	Non-Capitalized Equipment		404,381
O&M	-	Capital Outlay		488,980
O&M	-	Non-Capitalized Equipment		193,318
DS	5300	Debt Service - Payments of Principal on Long-Term Debt		6,787,456
TR	-	Capital Outlay		72,062
TR	-	Non-Capitalized Equipment		6,018
MR/SS	1125	Pre-K Programs		70,633
MR/SS	1225	Special Education Programs - Pre-K		13,943
MR/SS	1600	Summer School Programs		14,483
MR/SS	3000	Community Services		7,980
		Total Deductions for OEPP Computation	\$	16,089,791
		Total Operating Expenses (Regular K-12)		136,172,613
		9 Mo ADA from the General State Aid Claimable for 2016-2017 and Payable in 2017-2018 (ISBE 54-33, L12)		11,044.59
		Estimated OEPP *	\$	12,329.35

PER CAPITA TUITION CHARGE

LESS OFFSETTING RECEIPTS/REVENUES:				
ED	1600	Total Food Service	\$	180,485
ED-O&M	1700	Total District/School Activity Income		132,391
ED	1890	Other (Describe & Itemize)		6,686
ED-O&M	1910	Rentals		30,000
ED-O&M-TR	3100	Total Special Education		3,925,660
ED-O&M-MR/SS	3200	Total Career and Technical Education		11,671
ED-MR/SS	3300	Total Bilingual Ed		1,598,798
ED	3360	State Free Lunch & Breakfast		29,461
ED-O&M-TR-MR/SS	3500	Total Transportation		2,075,801
ED-MR/SS	-	Total Food Service		6,490,388
ED-O&M-TR-MR/SS	-	Total Title I		5,268,815
ED-O&M-TR-MR/SS	4620	Fed - Spec Education - IDEA - Flow Through/Low Incidence		2,875,264
ED-O&M-TR-MR/SS	4625	Fed - Spec Education - IDEA - Room & Board		17,221
ED-O&M-DS-TR-MR/SS-Tort	4800	Total ARRA Program Adjustments		860,565
ED-TR-MR/SS	4905	Title III - Immigrant Education Program (IEP)		10,902
ED-TR-MR/SS	4909	Title III - English Language Acquisition		474,120
ED-O&M-TR-MR/SS	4932	Title II - Teacher Quality		461,476
ED-O&M-TR-MR/SS	4991	Medicaid Matching Funds - Administrative Outreach		421,909
ED-O&M-TR-MR/SS	4992	Medicaid Matching Funds - Fee-for-Service Program		690,320
Total Deductions for PCTC Computation			\$	25,561,933
Net Operating Expense for Tuition Computation				110,610,680
Total Depreciation Allowance (from page 27, Col I)				7,089,112
Total Allowance for PCTC Computation				117,699,792
9 Month ADA (from the GSA Claimable for 2016-2017 Payable in 2017-2018)				11,044.59
Total Estimated PCTC *			\$	10,656.78

Unaudited

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
Cicero Public School District No. 99
Cicero, Illinois

Report on Compliance for Each Major Federal Program

We have audited

Cicero Public School District No. 99's

compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cicero Public School District No. 99's major federal programs for the year ended June 30, 2017. Cicero Public School District No. 99's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Cicero Public School District No. 99's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cicero Public School District No. 99's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Cicero Public School District No. 99's compliance.

Opinion on Each Major Federal Program

In our opinion, Cicero Public School District No. 99, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Cicero Public School District No. 99 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cicero Public School District No. 99's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cicero Public School District No. 99's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001 to be significant deficiencies.

Cicero Public School District No. 99's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Cicero Public School District No. 99's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
November 3, 2017

CICERO PUBLIC SCHOOLS NO. 99
06-016-0990-02
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2017

Federal Grantor/Pass-Through Grantor Subrecipients *	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/15-6/30/16 (C)	Year 7/1/16-6/30/17 (D)	Year 7/1/15-6/30/16 (E)	Year 7/1/15-6/30/16 Pass through to Subrecipients	Year 7/1/16-6/30/17 (F)	Year 7/1/16-6/30/17 Pass through to Subrecipients			
U.S. Department of Agriculture Passed Through											
Food Service Management Company:											
Food Donation Program (M)	10.555	17-4299-00		545,757			545,757			545,757	N/A
U.S. Department of Agriculture Passed Through											
Illinois State Board of Education:											
National School Lunch Program (M)	10.555	16-4210-00	3,914,310	791,348	3,914,310	0	791,348	0		4,705,658	N/A
National School Lunch Program (1) (M)	10.555	17-4210-00		4,066,701		0	4,066,701	0		4,066,701	N/A
School Breakfast Program (M)	10.553	16-4220-00	1,229,846	284,077	1,229,846	0	284,077	0		1,513,923	N/A
School Breakfast Program (1) (M)	10.553	17-4220-00		1,348,262		0	1,348,262	0		1,348,262	N/A
Subtotal CFDA "10"			5,144,156	7,036,145	5,144,156	0	7,036,145	0	0	12,180,301	

• (M) Program was audited as a major program as defined by §200.518.

* NEW - Also include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).

The accompanying notes are an integral part of this schedule.

¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

³ When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

⁴ The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

CICERO PUBLIC SCHOOLS NO. 99
06-016-0990-02
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2017

Federal Grantor/Pass-Through Grantor Subrecipients *	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/15-6/30/16 (C)	Year 7/1/16-6/30/17 (D)	Year 7/1/15-6/30/16 (E)	Year 7/1/15-6/30/16 Pass through to Subrecipients	Year 7/1/16-6/30/17 (F)	Year 7/1/16-6/30/17 Pass through to Subrecipients			
U.S. Department of Education Passed Through											
Illinois State Board of Education:											
Title I - Low Income	84.010A	16-4300-00	3,740,411	1,749,064	4,327,976	0	1,161,499	0	0	5,489,475	6,244,921
Title I - Low Income (2)	84.010A	17-4300-00		3,519,751		0	4,069,376	0	1,861,677	5,931,053	6,336,793
Special Education - Preschool Grants	84.173A	16-4600-00	25,193	32,803	47,583	0	10,413	0	0	57,996	111,498
Special Education - Preschool Grants	84.173A	17-4600-00		17,920		0	114,950	0	6,820	121,770	135,078
Special Education - Grants to States	84.027A	16-4620-00	1,399,684	1,174,628	2,201,648	0	372,664	0	0	2,574,312	2,783,459
Special Education - Grants to States	84.027A	17-4620-00		1,700,636		0	2,499,528	0	310,359	2,809,887	2,899,908
Special Education - IDEA - Room and Board	84.027A	16-4625-XC		17,221		0	17,221	0	0	17,221	N/A
Title III - Immigrant Education Program	84.365A	16-4905-00	0	10,902	2,517	0	8,385	0	0	10,902	26,195
Title III - Immigrant Education Program (2)	84.365A	17-4905-00		0		0	17,854	0	6,489	24,343	32,239
Title III - LIPLEP	84.365A	16-4909-00	239,556	192,853	384,113	0	48,296	0	0	432,409	930,742
Title III - LIPLEP (2)	84.365A	17-4909-00		281,267		0	515,464	0	330,169	845,633	1,262,277
Title II - Teacher Quality (M)	84.367A	16-4932-00	257,244	210,060	326,578	0	140,726	0	0	467,304	793,399
Title II - Teacher Quality (2) (M)	84.367A	17-4932-00		251,416		0	347,441	0	142,560	490,001	828,312
Subtotal CFDA "84"			5,662,088	9,158,521	7,290,415	0	9,323,817	0	2,658,074	19,272,306	

- (M) Program was audited as a major program as defined by §200.518.

* NEW - Also include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).

The accompanying notes are an integral part of this schedule.

¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

³ When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

⁴ The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

CICERO PUBLIC SCHOOLS NO. 99
06-016-0990-02
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2017

Federal Grantor/Pass-Through Grantor Subrecipients *	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract # ³ (B)	Receipts/Revenues		Expenditure/Disbursements ⁴				Obligations/ Encumb. (G)	Final Status (E)+(F)+(G) (H)	Budget (I)
			Year 7/1/15-6/30/16 (C)	Year 7/1/16-6/30/17 (D)	Year 7/1/15-6/30/16 (E)	Year 7/1/15-6/30/16 Pass through to Subrecipients	Year 7/1/16-6/30/17 (F)	Year 7/1/16-6/30/17 Pass through to Subrecipients			
U.S. Department of Health & Human Services											
Passed Through Illinois Department of											
Healthcare & Family Services Passed											
Through Northwestern Illinois Associates:											
Medicaid Administrative Outreach	93.778	16-4991-00	360,892	115,195	476,087	0	0	0	0	476,087	N/A
Medicaid Administrative Outreach	93.778	17-4991-00		324,293		0	419,613	0	0	419,613	N/A
Subtotal CFDA "93"			360,892	439,488	476,087	0	419,613	0	0	895,700	
Total Federal Assistance			11,167,136	16,634,154	12,910,658	0	16,779,575	0	2,658,074	32,348,307	
(1) Project year-end is 9/30											
(2) Project year-end is 8/31											

- (M) Program was audited as a major program as defined by §200.518.

* NEW - Also include the total amount provided to subrecipients from each Federal program. §200.510 (b)(4).

The accompanying notes are an integral part of this schedule.

¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.

² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.

³ When awards are received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included in the schedule. §200.510 (b)(2)

⁴ The Uniform Guidance requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in the schedule and suggests to include the amounts in the SEFA notes.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Cicero Public School District No. 99 under programs of the federal government of the year ended June 30, 2017. The information in this Schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

The District has elected not to use the 10 percent de minimis indirect rate as allowed under the Uniform Guidance.

NOTE 4 - SUBRECIPIENTS

The District did not provide federal awards to subrecipients during the year ended June 30, 2017.

NOTE 5 - FEDERAL LOANS

There was no federal loans or loan guarantees outstanding at year end.

CICERO PUBLIC SCHOOL DISTRICT NO. 99
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017

- 1) Summary of auditor's results:
 - a) The auditor's report expresses an adverse opinion on whether the financial statements of Cicero Public School District No. 99 were prepared in accordance with GAAP.
 - b) One significant deficiency was disclosed during the audit of the financial statements and is reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No material weaknesses are reported.
 - c) No instances of noncompliance material to the financial statements of Cicero Public School District No. 99, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
 - d) No significant deficiencies in internal control over major federal award programs are reported during the audit of the financial statements. No material weaknesses in internal control over major federal award programs are reported.
 - e) The auditor's report on compliance for the major federal award programs for Cicero Public School District No. 99 expresses an unmodified opinion on all major federal programs.
 - f) There are no audit findings that are required to be reported in accordance with Uniform Guidance 2 CFR section 200.516(a).
 - g) The programs tested as major programs were: Child Nutrition Cluster (10.553 & 10.555) and Title II – Improving Teacher Quality State Grants (84.367)
 - h) The threshold used for distinguishing between Type A and B programs was \$750,000.
 - i) Cicero Public School District No. 99 was determined to not be a low-risk auditee.
- 2) The finding relating to the financial statements which is required to be reported is detailed in finding number 2017-001.

CICERO PUBLIC SCHOOLS NO. 99
06-016-0990-02
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2017

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹

2017- 001

2. THIS FINDING IS:

☒

New

☐

Repeat from Prior Year?

Year originally reported? _____

3. Criteria or specific requirement

A critical element of internal control is that supporting documentation is maintained for all checks written.

4. Condition

There was a lack of supporting documentation for credit card bills.

5. Context¹²

The individual approving the payment of the credit card bill did not enforce the requirement of employees with credit cards to provide receipts for purchases.

6. Effect

Potentially unauthorized purchases were made that could result in expenditures for items not allowed by the District.

7. Cause

The District was not enforcing the procedure of requiring employees to submit receipts for purchases.

8. Recommendation

The District should monitor the situation to ensure credit card bills have backup documentation before being paid; in the event backup documentation cannot be provided, the District should have procedures in place to gain confidence that the purchases made were allowed and authorized.

9. Management's response¹³

The District will implement controls requiring that an individual who does not, or cannot, provide backup documentation will be required to sign an affidavit taking responsibility for the expense.

For ISBE Review

Date: _____

Resolution Criteria Code Number _____

Initials: _____

Disposition of Questioned Costs Code Letter _____

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2014 would be assigned a reference number of 2014-001, 2014-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

¹² Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

¹³ See paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards for additional guidance on reporting management's response.

CICERO PUBLIC SCHOOLS NO. 99
06-016-0990-02
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2017

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ **2017- N/A** 2. THIS FINDING IS: ☐ New ☐ Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: _____

4. Project No.: _____ 5. CFDA No.: _____

6. Passed Through: _____

7. Federal Agency: _____

8. Criteria or specific requirement (including statutory, regulatory, or other citation) _____

9. Condition¹⁵ _____

10. Questioned Costs¹⁶ _____

11. Context¹⁷ _____

12. Effect _____

13. Cause _____

14. Recommendation _____

15. Management's response¹⁸ _____

For ISBE Review

Date: _____	Resolution Criteria Code Number _____
Initials: _____	Disposition of Questioned Costs Code Letter _____

¹⁴ See footnote 11.

¹⁵ Include facts that support the deficiency identified on the audit finding.

¹⁶ Identify questioned costs as required by sections 510(a)(3) and 510 (a) (4) of Circular A-133.

¹⁷ See footnote 12.

¹⁸ To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

CICERO PUBLIC SCHOOLS NO. 99
06-016-0990-02
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹
Year Ending June 30, 2017

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u> ²⁰
NONE		

When possible, all prior findings should be on the same page

¹⁹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

²⁰ Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.

CICERO PUBLIC SCHOOLS NO. 99
06-016-0990-02
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2017

Corrective Action Plan

Finding No.: **2017- 001**

Condition:

There was a lack of supporting documentation for credit card bills.

Plan:

The District will implement controls requiring that an individual with a p-card who does not, or cannot, provide backup documentation for purchases they made will be required to sign an affidavit taking responsibility for the expense and this document will be held as backup for the purchase.

Anticipated Date of Completion:

Name of Contact Person: MeriAnn Besonen, Business Manager

Management Response: N/A

²¹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.